



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Legislative Fiscal Analyst
CLAYTON SCHENCK

DATE: September 26, 2007

TO: Legislative Finance Committee

FROM: Taryn Purdy

RE: Operating Plan Changes and Program Transfers

Sections 17-7-138 and 17-7-139, MCA, require that cumulative operating budget changes (in any budget category) and program transfers of \$25,000 and 25 percent or \$1,000,000 must be brought before the LFC prior to implementation, unless of a time sensitive nature. The Office of Budget and Program Planning (OBPP) has submitted four operating plan changes for review. The attached memoranda from OBPP explain the changes.

LFD staff has reviewed the proposed changes and does not raise any issues.

To: Clayton Schenck, Legislative Fiscal Analyst
Legislative Fiscal Division

From: David Ewer, Budget Director
Office of Budget & Program Planning

Date: September 20, 2007

Subject: **LFC Review & Comment on Operating Budget Changes and Program Transfers**

In accordance with 17-7-138 and –139, MCA, the Governor's Office of Budget and Program Planning is submitting four FY 2008 operating plan changes that will exceed \$25,000 and 25% of a budget category for review and comment at the October Legislative Finance Committee meeting.

- The **Department of Transportation**, General Operations Program, requests to move \$398,311, in each year of the biennium, from Operating to Grants. Historically expenditures related to the On The Job training grants have been coded as Operating Expenses. Recently, the agency has learned that these costs should be coded to the Grants category. This request moves existing authority from 62000 to 66000 so these expenditures can be coded correctly (BCD 54010 445 OP010).
- The **Department of Labor and Industry**, Office of Community Service, requests to move \$260,000, in each year of the biennium, from Grants to Transfers. This request will allow the Office of Community Service to record expenditures in the correct account (BCD 66020 810 OP707).
- The **Montana Historical Society**, Library Program, requests that \$72,500 be transferred from Operating to Personal Services. The Historical Society is requesting 1.00 modified FTE for archiving and an Op Plan adjustment from Operating to Personal Services utilizing OTO funds appropriated in HB2 for TVMT Archiving. Archiving requires personnel to perform the processing. All funding was allocated to operating level 62000 and should have been split between 61000 to support personnel for processing and 62000 for related software and supplies (BCD 51170 340 OP010).
- The **Department of Commerce**, Community Development Division, is requesting that \$39,300 in fiscal year 2008 and \$78,600 in fiscal year 2009 be transferred from Operating to Personal Services to fund a modified FTE. This BCD adds 0.50 modified FTE in FY2008 and 1.00 modified FTE in FY 2009 in the Community Development Division. Additionally, the FY 2008 and FY 2009 operating plan is revised to allow for the additional disbursement of personal services expenses, while reducing contracted services (BCD 65010 730 OP005).

We have reviewed the requests and find them to be in compliance with state and federal laws and policies. The transaction documents are available for you and your staff in our guest directory. In the event additional BCDs are requested that would require review and comment at the October meeting, we will advise you immediately.

Please let us know if you have questions or wish additional information.

CC: Taryn Purdy
Roche Juneau
Tammy Lavigne
Bill Hoffman
Denise King